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From: Anderson, Mollie [DAS] [<mailto:MOLLIE.ANDERSON@iowa.gov>]
Sent: Fri 11/17/2006 2:38 PM
To: Wieck, Ron [LEGIS]
Cc: Gillispie, John [ICN]; Johnson, Mark [DAS]
Subject: Staff Augmentation

Senator Wieck,

Following-up on the conversation we had yesterday, I promised you that I would get something sent out to describe where we are with the IT staff augmentation proposal. As I indicated, this is a strategic sourcing idea which originates from the State of Pennsylvania. At a governor's conference, Governor Vilsack learned about this sourcing strategy which has allowed the state of Pennsylvania to save considerable dollars when they use IT temporary, part-time professionals. At Governor Vilsack's request, we visited with David Yarkin from Government Sourcing Specialists about this project in Pennsylvania and, completed follow-up research, as well. As a result, we determined that the State of Pennsylvania had a very successful strategic sourcing project which saved substantial money for the state and increased the number of small businesses who were able to be contractors with state government. It also improved consistency in contracting and pricing from vendors.

We have explored this idea in several different ways:

1. We had the Chief Information Officers from each of Iowa's state agencies attend a presentation by this company and critique their strategy and tell us whether they believed it had merit.
2. We also have contacted other states to ask their experience in using this contract and, as a result, received favorable comments regarding this sourcing strategy.

As I mentioned in the phone call, we can use contracts entered into by other states without having to duplicate a competitive bidding process if the originating state engaged in a competitive bidding process mirrors the Iowa law. In this case, we believe Pennsylvania's process in entering into this contract meets that standard and it would allow us to fast forward the process and achieve savings for the state of Iowa more quickly, as well as avoid costs associated with completing our own duplicative competitive bidding process.

The State of Pennsylvania reported roughly a 25-35% savings over their spend. At the current time, we have documented that our spend is somewhere between \$4-\$8 million for hiring temporary IT professionals.

I believe this idea has merit and could save the state money and it should be subject to further exploration. However, if you are concerned about this and would like us to take more time and be more cautious in its review, I am more than happy to do so. While this initiative was initially brought to my attention by Governor Vilsack, the impetus to move forward on this as expeditiously as possible has come from me given that my term in this position may soon be coming to a close and my belief that this is a strategy that will save that state money.

Senator Wieck, I would happy, at your invitation, to speak in more detail about this particular project with you, the Oversight Committee or others that you believe have concerns so that we can respond to them and hopefully move forward with a better understanding of what this initiative is, if it is determined that moving forward is the best course of action.

Given our conversation, I want to reassure you again that I don't anticipate the Technology Governance Board will be taking any action in the month of December and I will convey your concerns to them at our next meeting on December 14th.

Mollie

Mollie K. Anderson

Director

Iowa Department of Administrative Services

Phone: (515) 281-5360

Cell: (515) 491-1259

Fax: (515) 281-6140

Mollie.Anderson@iowa.gov

<http://www.state.ia.us/das/> <<http://www.state.ia.us/das/>>

<http://www.resultsiowa.org> <<http://www.resultsiowa.org/>>